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DE RUEHKT #1157/01 1251125 ZNY CCCCC ZZH O 051125Z MAY 06 FM AMEMBASSY KATHMANDU TO RUEHC/SECSTATE WASHDC IMMEDIATE 1351 INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 4308 RUEHLM/AMEMBASSY COLOMBO PRIORITY 4563 RUEHKA/AMEMBASSY DHAKA PRIORITY 9666 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2554 RUEHLO/AMEMBASSY LONDON PRIORITY 3960 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9683 RUEHKO/AMEMBASSY TOKYO PRIORITY 0838 RHEFDIA/DIA WASHDC PRIORITY RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L KATHMANDU 001157

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DEPT FOR SCA/INS

E.O. 12958: DECL: 05/05/2016

TAGS: PGOV PTER NP

SUBJECT: MAOISTS ACCEPT GOVERNMENT'S OFFER OF TALKS

REF: KATHMANDU 1129

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b,d).

Maoists Agree to Talk With Government...

11. (U) Maoist leader Prachanda on May 4 said his party would sit for talks with the government. Prachanda's statement came in response to the Cabinet's invitation to talk on May 3 (reftel). Prachanda welcomed other government actions, including the government's May 3 announcement of an indefinite cease-fire and the withdrawal of the Red Corner Notices and the terrorist tag.

## ...Provide Draft Code of Conduct

12. (C) Prachanda said his party had forwarded a draft code of conduct to the government, with the idea that it would be adhered to by both the sides during the period of talks. "I hope that the code will be implemented honestly," he said in his statement. The government had not yet formulated its own code of conduct (reftel). A CPN-UML Central Committee member, Yubaraj Karki, told Emboff that his party's central working committee had not seen the Maoist draft code of conduct and thus he could not comment on it. He added that perhaps UML top leaders and Cabinet members had received a draft.

Meanwhile Maoist Violence Continues

13. (U) The media reported the May 4 shooting a doctor in the middle of Kathmandu by "unidentified assailants." Everybody suspects the attackers were Maoists seeking retribution in response to his hospital's failure to pay their extortion demands. The media also reported that Maoists had abducted three policemen in far-western Bajura District, and that the National Human Rights Commission Biratnagar Office had appealed to the Maoists to release three people, one of whom is a CPN-UML local politician.

Maoists Urge Reorganization of Army

14. (U) Prachanda appealed to the government to take concrete steps to convert the Royal Nepalese Army (RNA) into a new national army. He stated that "the need of the hour is to bring the army under the people's control and democratize it." He called for punishing army commanders who had suppressed the people's movement. He further said his party was ready to peacefully re-organize its "People's Liberation Army" to form a new national army.

## ...Blame U.S. for Failure of Previous Negotiations

15. (U) The Maoist leader's statement also appealed to the political parties and people to raise their voices against U.S. imperialism. Prachanda blamed the U.S. and the RNA for the breakdown of peace talks in 2001 and 2003. Prachanda hoped the new talks would be successful. However, he warned that people should not interpret Maoists willingness to talk as "weakness." Prachanda hoped that the existing parliament, constitution and the government would be dissolved and an interim government formed after preliminary talks. In a May 4 BBC Nepali interview, Prachanda's deputy, Baburam Bhattarai, explained that such an interim government would include Maoists and civil society representatives.

## Comment

16. (C) The public has welcomed Prachanda's statement agreeing to talks, but is still cautiously watching what the party does. Prachanda's statement continues the Maoist PR campaign portraying themselves as the misunderstood party of peace. The government needs to be pro-active, including proposing its own code of conduct and insisting on international monitors, rather than reacting to Maoist actions, such as the Maoist draft code of conduct.

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